

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7582**

**BILL NUMBER:** HB 1567

**DATE PREPARED:** Jan 3, 2001

**BILL AMENDED:**

**SUBJECT:** Tort and civil rights claims.

**FISCAL ANALYST:** Chris Baker

**PHONE NUMBER:** 232-9851

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill makes a governmental entity liable for punitive damages under the law concerning tort claims against governmental entities and public employees. The bill requires a governmental entity to pay any judgment, compromise, or settlement of a claim if a public employee is or could be subject to personal civil liability for a loss occurring because of a noncriminal act or omission within the scope of the public employee's employment that violates the civil rights laws of the United States.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** The provisions of this bill would allow a governmental entity to be liable for punitive damages awarded in a judgment from a claim or suit in tort. Statute currently requires a punitive damage award may not be more than the greater of three times the amount of compensatory damages awarded in an action or fifty thousand dollars. If a trier of fact awards punitive damages exceeding these limitations, the court will reduce the award using the aforementioned guidelines above.

The Office of the Attorney General reports the amount of damages paid as a result of tort claims submitted and tort claim lawsuits filed against the State and by plaintiffs in tort and civil rights litigation between CY 1994 and CY 1999 as follows:

<b>CY</b>	<b>Damages Paid</b>
1999	\$5,052,346
1998	\$2,935,075
1997	\$3,438,230
1996	\$5,742,977
1995	\$6,362,071
1994	\$8,060,838

The amount paid includes tort claims paid at the time of claim submission, settlements upon the filing of lawsuits, and as a result of a court order. It also includes cases in both federal and state court.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** See: *Explanation of State Expenditures*

**Explanation of Local Revenues:**

**State Agencies Affected:** Office of the Attorney General.

**Local Agencies Affected:** Counties, cities and towns.

**Information Sources:** Andy Jackson, Office of the Attorney General, (317) 232-3551.